



# CALIFORNIA STATE BOARD OF EDUCATION

## MARCH 2004 AGENDA

<b>SUBJECT</b>  Legislative Update: Including, but not limited to, information on legislation.	<input checked="" type="checkbox"/> <b>Action</b>
	<input checked="" type="checkbox"/> <b>Information</b>
	<input type="checkbox"/> <b>Public Hearing</b>

### RECOMMENDATION

The following items are presented to the State Board of Education (SBE) for information and action as deemed necessary and appropriate.

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### SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

The February 2004 informational memorandum provided an update of legislative measures that fall under the six core principals adopted by the board at the November 2003 meeting. Deliberations on the proposed budget have not yet begun given the second half of the 2003-2004 legislative session remains in its early stages. February 20, 2004, is the last day to introduce legislation and we will continue to update the Board on the status of relevant bills, including the budget proposal, as they move through the legislative process.

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### SUMMARY OF KEY ISSUES

Given California's enormous deficit, the Governor's proposed 2004-05 budget as it relates to K-12 education is optimistic. Specific funding amounts are included in the attached documents.

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### FISCAL ANALYSIS (AS APPROPRIATE)

On January 9, 2004 Governor Schwarzenegger released his proposed state budget for 2004-05 fiscal year. The attached information summarizes this budget as it relates to K-12 education. The fiscal impact of the 2004-05 proposed budget and its potential impacts to K-12 education and the California Department of Education will be presented during the meeting.

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### ATTACHMENT

[Attachment 1](#): Quick Summary-The Governor's Budget Proposal. January 9, 2004, Senate Committee on Budget & Fiscal Review

Attachment 2: K-12 Programs to Eliminate and Shift Funds to Revenue Limits as presented by Strategic Education Services on January 13, 2004. (This attachment is not available for web viewing, however, a copy can be obtained in the State Board Office)

## K-12 Education

***Total K-12 Education Funding Available.*** The Governor proposes and estimated \$1.5 billion in additional funding for K-12 schools in 2004-2005. These new funds are the result of \$432 million in new Prop 98 funds proposed by the Governor and the \$1.1 billion in existing Proposition 98 funds that have been “freed-up” and will be available to spend for new purposes in 2004-2005.

***Per Pupil Increases in Prop 98.*** The Governor proposes K-12 Proposition 98 per pupil expenditures of \$6,945 in 2004-05, which provides an additional \$5 per pupil above the 2003-04 budget.

***Statutory Growth and COLA's Fully Funded.*** The Governor proposes to fully fund statutory growth and COLA's (cost-of-living adjustments) for K-12 revenue limit and categorical programs in 2004-05.

***Categorical Reform – Funding Shift.*** The Governor proposes to eliminate separate funding for 22 categorical education programs and shift \$2 billion in funding for those programs to revenue limits in 2004-05. These programs include home-to-school transportation, school improvement, supplemental grants, non-court desegregation funds, most professional development programs, year round schools, and English Learner Student Assistance. Funds shifted into revenue limits could be used for general purposes, or schools could continue to provide funding for categorical purposes if they desire.

***Categorical Reform – Separate Funding Retained.*** The Governor proposes to retain separate funding for most education categorical programs including such major programs as Class Size Reduction, Economic Impact Aid, Special Education, Child Care, court based desegregation, Adult Education, and ROC/P's.

\*Source: Quick Summary -The Governor's Budget Proposal.  
January 9, 2004, Senate Committee on Budget & Fiscal Review